(e) The cost benefit study done for the purpose of Public Investment Board (PIB) with base date of 1st Quarter 1994 showed an Internal Rate of Return of 5.3% presuming a 100% capacity utilisation.

Profit/Loss Earned by Rinl

1321. DR. Y. LAKSHMI PRASAD: Will the Minister of STEEL be pleased to state:

(a) the profit/loss earned by the Rashtriya Ispat Nigam Limited during the last two financial years;

(b) the reasons for the loss in 1996-97 extended upto the 30th September, 1997; and

(c) the steps proposed to look into the problems of Rashtriya Ispat Nigam Limited?

THE MINISTER OF STATE IN THE MINISTRY OF STEEL AND MINES (SHRI RAMESH BAIS): (a) RINL has earned cash profits of Rs. 176 crore in 1996-97 and Rs. 15.60 crore in 1997-98. It, however, registered net losses during 1996-97 (Unaudited) 1997-98 (Unaudited & Prov.) to the tune of Rs. 148.39 crore (Unaudited) and Rs. 304.14 crore (Unaudited) respectively after considering the financial reliefs granted by the Government of India on 27.5.98.

(b) Despite cash profits during this period, RINL incurred net losses due to increase in input costs, sluggish market conditions, both in domestic and export markets, coupled with high incidence of capital related charges viz. interest & depreciation.

(c) Besides, introduction of appropriate technologies in critical areas to remove production bottlenecks and improvement in the product mix, a comprehensive rehabilitation study is contemplated to ensure long term viability of the Plant.

Removal of Freight Equalisation Scheme

1322. SHRI DIPANKAR MUKHERJEE: Will the Minister of STEEL be pleased to refer to the answer to Unstarred Question 605 given in Rajya Sabha on 28th July, 1997 and state:

(a) whether Government are confirming or denying the report mentioned in the aforesaid Unstarred Question that the leading Steel producers have sought total removal of freight equalisation system on iron and steel; and

(b) the recommendations of the Committee referred to in the aforesaid answer and Government's action plan on the same?

THE MINISTER OF STATE IN THE MINISTRY OF STEEL AND MINES (SHRI RAMESH BAIS): (a) It is a fact that the main producers of steel had sought removal of freight ceiling on iron and steel.

(b) The Committee has since submitted its report to Government, the same is under examination.

Agreement between Sail and Cil for Coking Coal

1323. PROF. RAM KAPSE: Will the Minister of STEEL be pleased to state:

(a) whether a bilateral agreement has been entered into between the Steel Authority of India Limited & the Coal India Limited regarding supply of coking coal to SAIL by CIL.

(b) if so, the terms of the agreement; and

(c) the period of agreement?

THE MINISTER OF STATE IN THE MINISTRY OF STEEL AND MINES (SHRI RAMESH BAIS): (a) Yes, Sir.

(b) Salient terms of agreement relate to quantity, quality, bonus/penalty on ash variation, price in respect of supplies of coking coal from the washeries of BCCL, CCL, WCL and direct supply from BCCL.